

25X1

SECRET

Copy 7 of 8

8 May 1956

RECIPIENT FOR: Project Director

SUBJECT : Status of Funds Committed to ABC for
Operation of Watertown

25X1

1. In [redacted] dated 11 April 1956, the status of funds for both
Fiscal Years 55 and 56 was furnished. At the Staff Meeting held this date
you were advised that Watertown Personnel had been requested to contact both
ABC and Reynolds Electric and Engineering Accountants asking them to fore-
cast funding needs for the remainder of FY-1956 and advise our financial con-
dition. The reply was furnished through Headquarters ABC [redacted] in the
form of a TWX, which is reproduced hereunder for your information:

CONSTRUCTION

Costs as Reported and Transferred 3-31-56	\$ 1,107,015.00
April Costs Not Yet Reported	3,193.00

Work Requested by Local Project Personnel
With Work Estimates are as Follows:

Ramsey Paving	\$ 57,000.00
Hooper No. 2 Modification	26,100.00
Dust Control	6,100.00
Water Storage	7,150.00
Generator Pad	1,500.00
Contingency	<u>10,000.00</u>
	<u>108,350.00</u>

Total Required as Known or Estimated As Authorized by ABC Headquarters	\$ 1,216,558.00
	<u>1,190,000.00</u>

Additional Requirements (Construction)	\$ 68,558.00
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MAINTENANCE AND OPERATIONS

As Authorized in ABC Financial Plan	\$ 525,000.00
Costs as Recorded or Estimated	<u>600,000.00</u>

Balance	\$ 145,000.00
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REF ID: A6573

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PER CONTRACTORS FINAL COST STATEMENT COVERING THE PERIOD 10-1-55 TO 2-29-56
AS ADJUSTED BY CONTRACTOR AND GOVERNMENT REPRESENTATIVES AS SHOWN THEREIN

EXHIBIT "A"

PERIOD	DIRECT LABOR	DIRECT MATERIAL & S/B-CONTRACT NO. B-1111	PLANT EQUIPMENT	MINOR EQUIPMENT	PLANT RE-ARRANGEMENT	TRAVEL & SUBSISTENCE	OVERTIME PRE-TIM	PROFESSIONAL SERVICES	TOTAL ALL DIRECT COSTS	FACTORY BURDEN	G & A BURDEN	PROFIT 10%	TOTAL COSTS AND PROFIT
10-1-55 to 2-29-56	32,713.55	19,683.31	1,261.50	154.00	736.62	3,686.08	3,320.68	395.00	61,950.74	28,061.26	10,262.17	10,028.12	110,309.29
		(334.80)							(334.80)	(38.17)	(37.30)	(410.27)	
		(883.00)							(883.00)	(100.66)	(98.37)	(1,062.03)	
									(40.46)	(4.62)	(4.51)	(49.11)	
After Cont. bldg. Costs Questioned	32,713.55	20,465.51	1,261.50	154.00	736.62	3,686.08	3,280.20	395.00	60,592.45	28,068.26	10,118.72	9,887.94	108,767.36
Costs Accepted	32,713.55	18,465.51	(1)(1,261.50)	(1)(154.00)	(2)(736.62)	(3)(412.00)			(2,195.81)	(3)(468.21)	(3)(417.48)	(3,105.50)	
Payments Affected to Date on Progress Basis (Per Contractors and Agency Records)													100,508.77
Recommended Settlement on Final Invoice No. B-5111-8 dated April 12, 1956													100,508.77
													5,051.11

(1) Questioned for reason that any bidder on a fixed-price price revision basis should have manufacturing plant equipped with items necessary to perform.
 (2) Questioned for reason that one-half the cost of plant re-arrangement was agreed to by contracting parties (1/2 burden and profit likewise questioned.)
 (3) Questioned for reason that understanding was to accept trips of great distance as a direct reimbursement item. No local travel, nor burden or profit is considered applicable on any normally "indirect" item that is reimbursed on a directly applied basis. Accordingly all G&A and profit have been eliminated on these items.
 (4) Profit element for determination of contracting officer, but as been calculated at 10% of acceptable costs consistent with percentage employed by contractor.